

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH ANDERSON WATER)	
DISTRICT, ANDERSON COUNTY, KENTUCKY,)	
(1) FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	
CONSTRUCTION OF MAJOR ADDITIONS AND)	CASE NO.
IMPROVEMENTS TO ITS WATER DISTRIBUTION)	93-331
SYSTEM; (2) SEEKING APPROVAL OF REVISED)	
WATER SERVICE RATES AND CHARGES; AND)	
(3) SEEKING APPROVAL OF THE ISSUANCE OF)	
CERTAIN SECURITIES)	

O R D E R

On September 9, 1993, South Anderson Water District ("South Anderson") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,433,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 220 additional customers. Project funding includes a \$655,000 loan from the Farmers Home Administration ("FmHA"), a \$617,000 Community Development Block Grant grant from the U.S. Department of Housing and Urban Development ("HUD"), a \$50,200 contribution by Anderson County Fiscal Court, a \$76,000 contribution from South Anderson, and \$34,800 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 6.125 percent per annum.

South Anderson's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water

districts and FmHA or HUD and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on September 9, 1993, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. South Anderson is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. South Anderson's proposed plan of financing with FmHA is accepted.

3. South Anderson shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

5. South Anderson shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

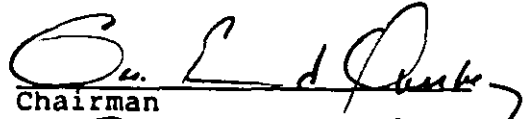
6. South Anderson shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section

5(1), South Anderson shall take immediate action to bring the system into compliance with Commission regulations.

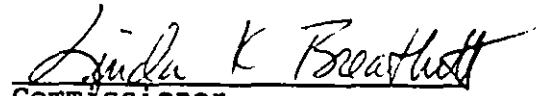
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 4th day of October, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-331 DATED October 4, 1993.

The following rates and charges are prescribed for the customers in the area served by South Anderson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates

First 2,000 gallons	Minimum Bill	\$11.25 per 1,000 gallons
Next 1,000 gallons		5.50 per 1,000 gallons
Next 2,000 gallons		4.65 per 1,000 gallons
Next 2,000 gallons		3.80 per 1,000 gallons
Next 3,000 gallons		2.95 per 1,000 gallons
All Over 10,000 gallons		2.65 per 1,000 gallons
Bulk Loading Station		\$3.40 per 1,000 gallons